

# Consumer Action

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VIA FEDERAL EXPRESS

October 7, 1994

William F. Caton  
Office of the Secretary  
Federal Communications Commission  
Washington, D.C. 20554

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Re: Order On Reconsideration and Further Notice of Proposed Rule Making  
(CC Docket No. 93-22).

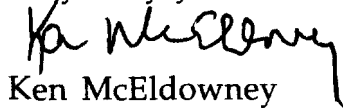
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Dear Mr. Caton:

Enclosed please find the original and 9 copies of Consumer Action's  
Comments in the above-referenced proceeding.

Should any questions arise in connection with this matter, please contact me  
at (415) 777-9648.

Very truly yours,



Ken McEldowney  
Executive Director

Enclosures

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FCC 94-200

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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OCT 11 1994

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In the Matter of

Policies and Rules Implementing  
the Telephone Disclosure and Dispute  
Resolution Act

CC Docket No. 93-22

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CONSUMER ACTION'S OPENING COMMENTS ON THE  
ORDER ON RECONSIDERATION  
AND  
FURTHER NOTICE OF PROPOSED RULE MAKING

Adopted: August 2, 1994

Released: August 31, 1994

Consumer Action (CA) welcomes the opportunity to comment on the Federal Communication Commission's Order on Reconsideration and Further Notice of Proposed Rule Making stemming from implementation of the Telephone Disclosure and Dispute Resolution Act. We strongly support the Commission's position as necessary to protect consumers.

CA is a San Francisco based, membership-supported, consumer education and advocacy organization that focuses on the telephone and banking problems of low income and limited-English speaking consumers. Through our multilingual complaint switchboard and educational efforts with our network of more than 1,700 community service agencies around the country we believe we have a good understanding of the pay-per-call problems faced by consumers.

Since the introduction of 900 numbers, CA has been in the forefront of groups attempting to protect consumers from abuses that quickly took hold in this industry. We have been active both in California and nationally tracking problems

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and working on possible solutions.

What has troubled us the most has been the ability of the pay-per-call scam artists to keep one step ahead of regulatory efforts. No sooner were regulations tightened up on 900 lines, then they migrated to collect calls, 800 numbers and so-called 'calling cards.'

In the process, consumers became very confused and legitimate telephone services were twisted to serve the needs of information providers who were seeking the fast buck at the expense of unsuspecting consumers.

We were especially troubled by the migration of pay-per-call services to 800 numbers which consumers have long believed to be toll free and to 'calling cards' as some information providers sought to avoid the hard fought for consumer safeguards that were attached to 900 numbers.

We strongly support the proposed rules set forth in the Commission's Proposed Rule Making. What they will do is guarantee that presubscription agreements are only valid if they are in writing and signed by the participating adult in whose name the phone number is billed.

Given the level of misuse of 800 numbers and so-called 'calling cards' such strict requirements are warranted. Anything less will fail to close regulatory loopholes that the fraudulent information providers have exploited.

CA is sure that objections will be raised to the proposed rules charging they will stifle the growth of legitimate uses of 800 pay-per-call services. Such objections must fail for two key reasons:

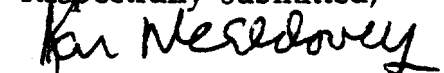
- The Commission has set aside 900 numbers specifically for pay-per-call services. There is no reason why the pay-per-call services that seek a home, inappropriately, on 800 lines should not instead be placed on 900 numbers.

- If for some reason, there are isolated services that would better fit on 800 lines because they are accessed through traditional, full service calling cards or because of their cost we can see no reason why requiring a written contact should

serve as a barrier.

We urge the Commission to adopt its proposed rules without modification.  
CA will respond to specific objections to the rules in its reply comments.

Respectfully submitted,



Ken McEldowney  
Executive Director  
Consumer Action  
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Oct. 7, 1994